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OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
DECEMBER 1985

NOVEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Nov. 1985	7.6
Oct. 1985	7.5
Nov. 1984	9.3
U.S.	
Nov. 1985	7.0
Oct. 1985	7.1
Nov. 1984	7.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Nov. 1985	110.2
Oct. 1985	110.3
Sep. 1985	109.2
Aug. 1985	109.4
July 1985	108.8

DIFFUSION INDEX

Oregon	
Nov. 1985	51.2
Oct. 1985	55.4
Sep. 1985	47.3
Aug. 1985	45.7
July 1985	45.3

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Oct. 1985	39.3
Sep. 1985	39.2
Oct. 1984	38.8

CONSUMER PRICE INDEX (CPI)
1967=100
ALL URBAN CONSUMERS

Portland MSA	
Nov. 1985	317.1
Yearly Change	+ 4.0%
U.S.	
Nov. 1985	326.6
Yearly Change	+ 3.6%
Portland Hotline	221-4132

CHRISTMAS CHEER IN MODERATION

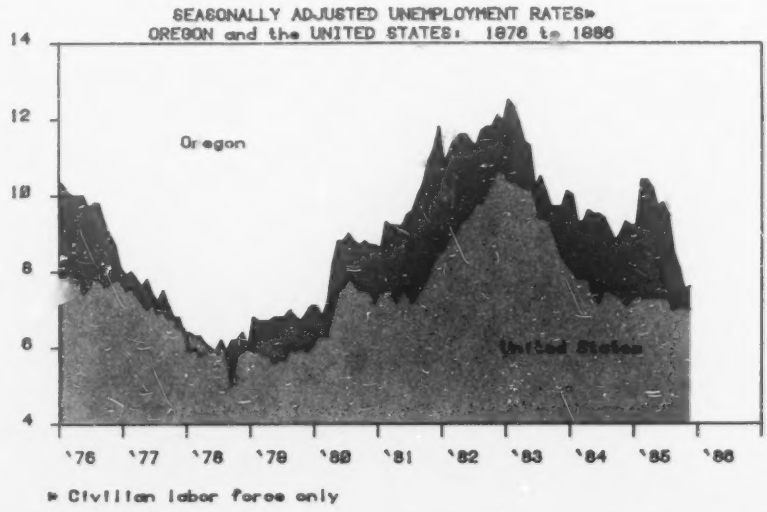
Frank Ryals

As 1985 ends, Oregonians can raise a moderate toast to an economy which is seeing its lowest Yuletide unemployment rate since 1980. However, Santa did not come to Oregon with a sleighfull of instant economic recovery, either. Improving statewide unemployment and labor force statistics do not reveal the underlying fact that economic rejuvenation still eludes some of our basic industries and the communities which are dependent upon them.

Still, there is cause for celebration. Two sectors, trade and services, are currently at record employment levels, but this growth is really a shift of new job creation away from the manufacturing industries to these sectors, and this is enough to sound a sobering note to any euphoria we might be tempted to feel at this season.

In other words, the contradictory trends of the past several months are continuing into 1986, with the apparent stability of statewide figures hiding some of the real changes which are occurring.

The statewide seasonally adjusted unemployment rate in November was 7.6%, up just one tenth of one percent from 7.5% in October. This translates into almost 11,000 more unemployed persons across the state in November than in October, or about 1,400 more than expected for the month.



RESIDENT OREGON LABOR FORCE

	NOV. 1985 1/	OCT. 1985 2/	CHANGE	% CHANGE	NOV. 1984 5/
CIVILIAN LABOR FORCE 3/	1,343,300	1,342,700	600	0.0	1,333,500
UNEMPLOYMENT	101,300	90,400	10,900	12.1	122,900
PERCENT OF LABOR FORCE	7.5	6.7	XXX	XXX	9.2
SEASONALLY ADJUSTED PERCENT	7.6	7.5	XXX	XXX	9.3
TOTAL EMPLOYMENT 4/	1,242,000	1,252,300	- 10,300	- 0.8	1,210,600

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	NOV. 1985 1/	OCT. 1985 2/	NOV. 1984	CHANGE FROM OCT. 1985	CHANGE FROM NOV. 1984
TOTAL 3/	1,040,300	1,050,500	1,020,500	- 10,200	19,900
WAGE & SALARY EMPLOYMENT INDEX 4/	110.2	110.3	108.1	XXX	XXX
DIFFUSION INDEX 5/	51.2	55.4	49.2	XXX	XXX
TOTAL MANUFACTURING	196,100	207,100	197,900	- 11,000	- 1,800
DURABLE GOODS	143,200	147,100	145,800	- 3,900	- 2,600
LUMBER & WOOD PRODUCTS	62,900	65,400	65,200	- 2,500	- 2,300
LOGGING & SAWMILLS	33,000	34,900	34,500	- 1,900	- 1,500
VENEER & PLYWOOD	16,100	16,400	16,900	- 300	- 800
MILLWORK & STRUCTURAL WOOD	8,500	8,800	8,400	- 300	100
MOBILE HOMES	1,500	1,400	1,500	100	0
OTHER WOOD PRODUCTS	3,800	3,900	3,900	- 100	- 100
FURNITURE AND FIXTURES	2,700	2,700	2,800	0	- 100
STONE, CLAY, GLASS & CONCRETE	2,300	2,600	2,500	- 300	- 200
PRIMARY METALS	9,000	9,000	9,200	0	- 200
BLAST FURNACES, IRON & STEEL	5,800	5,700	5,500	100	300
NONFERROUS METALS	3,200	3,300	3,700	- 100	- 500
FABRICATED METALS	11,500	11,500	10,500	0	1,000
FABRICATED STRUCTURAL METALS	6,000	6,000	5,000	0	1,000
OTHER FABRICATED METALS	5,500	5,500	5,500	0	0
MACHINERY	15,400	15,400	16,100	0	- 700
ELECTRICAL EQUIPMENT & SUPPLIES	13,500	13,700	15,000	- 200	- 1,500
TRANSPORTATION EQUIPMENT	8,800	9,600	7,300	- 800	1,500
INSTRUMENTS & RELATED PRODUCTS	14,000	14,100	14,400	- 100	- 400
MISCELLANEOUS MANUFACTURING	3,100	3,100	2,800	0	300
NONDURABLE GOODS	52,900	60,000	52,100	- 7,100	800
FOOD & KINDRED PRODUCTS	23,200	30,000	22,200	- 6,800	1,000
CANNING & PRESERVING	12,900	19,500	11,700	- 6,600	1,200
OTHER FOOD PRODUCTS	10,300	10,500	10,500	- 200	- 200
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,200	2,300	2,800	- 100	- 600
PAPER & ALLIED PRODUCTS	9,100	9,200	8,600	- 100	500
PRINTING & PUBLISHING	11,100	11,100	11,000	0	100
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	500	500	- 100	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,700	2,900	0	- 200
LEATHER PRODUCTS	500	500	400	0	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	NOV. 1985	OCT. 1985	NOV. 1984	CHANGE FROM OCT. 1985	CHANGE FROM NOV. 1984
(CONT.)					
TOTAL NONMANUFACTURING	844,200	843,400	822,600	800	21,700
MINING & QUARRYING	1,400	1,600	1,300	- 200	100
CONSTRUCTION	31,200	34,500	31,000	- 3,300	200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	56,000	56,000	55,400	0	600
TRANSPORTATION	33,900	34,000	33,100	- 100	800
RAILROAD	5,000	5,100	5,200	- 100	- 200
TRUCKING & WAREHOUSING	18,800	18,700	17,900	100	900
OTHER TRANSPORTATION	10,100	10,200	10,000	- 100	100
COMMUNICATIONS	13,500	13,400	13,700	100	- 200
UTILITIES	8,600	8,600	8,600	0	0
TRADE	267,800	265,100	259,800	2,700	8,100
WHOLESALE TRADE	68,000	68,000	65,600	0	2,500
DURABLE GOODS	39,500	39,200	38,300	300	1,300
NONDURABLE GOODS	28,500	28,800	27,300	- 300	1,200
RETAIL TRADE	199,800	197,100	194,200	2,700	5,600
GENERAL MERCHANDISE	25,900	24,200	26,400	1,700	- 500
FOOD STORES	30,800	30,900	29,300	- 100	1,500
AUTO DEALERS & SERVICE STATIONS	25,000	25,200	24,500	- 200	500
OTHER RETAIL TRADE	118,100	116,800	114,000	1,300	4,100
FINANCE, INSURANCE, & REAL ESTATE	68,800	68,500	66,400	300	2,400
BANKING & CREDIT AGENCIES	23,700	23,500	23,300	200	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	45,100	45,000	43,100	100	2,000
SERVICES	215,200	214,700	206,900	500	8,300
HOTELS & PERSONAL SERVICES	23,400	23,700	23,100	- 300	300
HEALTH SERVICES	70,600	70,300	68,400	300	2,200
OTHER SERVICES	121,200	120,700	115,400	500	5,800
GOVERNMENT	203,800	203,000	201,800	800	2,000
FEDERAL GOVERNMENT	30,000	30,500	29,800	- 500	200
STATE GOVERNMENT	55,800	56,100	56,000	- 300	- 200
EDUCATION	23,400	23,100	23,900	300	- 500
OTHER STATE	32,400	33,000	32,100	- 600	300
LOCAL GOVERNMENT	118,000	116,400	116,000	1,600	2,000
EDUCATION	75,300	73,500	74,400	1,800	900
OTHER LOCAL	42,700	42,900	41,600	- 200	1,100
LABOR-MANAGEMENT DISPUTES	0	100	900	- 100	- 900

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

Oregon's other two indicators, though, remained even more stable, dropping only slightly after several months of improvement. First, the non-agricultural wage and salary employment index dipped just one-tenth of one percent to 110.2 in November. Second, the diffusion index, Oregon's "most leading" indicator, also fell only slightly to 51.2 from 55.4 in October. The point to remember about the diffusion index is that it is volatile and will change from month to month, but if it stays above 50.0 for several months it means that a majority of the industries making up the index are expanding. This second month of "50 plus" in the diffusion index is a positive signal that will bear close scrutiny in coming months.

November's wage and salary employment, when broken out by sector, reveals much more activity than is apparent from the aggregate statistics, as well as what happened to cause these small but important movements in the major economic indicators.

Manufacturing employment, expected to decline at this time of year, lost 11,000 jobs, 3,700 more than normal. Lumber and wood products was hurt by November's record-breaking cold and snowy weather, and lost 1,000 more jobs than seasonally expected. Logging employment took the brunt of that loss.

Most of the remainder of the excess loss of manufacturing jobs came in food and kindred products. An excellent canning season postponed end-of-season cannery layoffs into November, giving processors more production and workers an extra month of work.

The other durable goods manufacturing industries showed mixed employment trends in November, but lost 1,400 jobs overall - twice as many as seasonally expected. The largest change within this group occurred in transportation equipment manufacturing, which lost 800 jobs in November. Employment in this sector, however, is still higher than a year ago by 1,500 jobs.

On the other hand, the electrical equipment and supplies industry, which includes semiconductor manufacturing, dropped by 200 in November, bringing the job loss to 1,500 over the year. Intel Corporation has announced additional layoffs in January, and this, coupled with what these data show, indicates that troubles are not yet over for Oregon's semiconductor and other hi-tech industries.

Nondurable manufacturing industries, other than food and kindred products, lost 300 jobs as a group, which is 200 more than expected for the month. Of these industries, apparel, which lost 100 employed in November, has slipped the most (-600) from November 1984. (For a more detailed analysis of the past year's statewide labor trends, see the "Year in Review - 1985" article appearing later in this issue.)

In the nonmanufacturing sector of Oregon's economy, monthly employment gains were almost as significant as the losses on the manufacturing side. As a whole, nonmanufacturing gained 800 jobs--a whopping 2,300 more than seasonal trends would indicate for the month.

Four nonmanufacturing categories, transportation, communication and utilities; trade; finance, insurance and real estate; and services all reported healthy employment gains after seasonal adjustment. Taken together, these sectors grew 3,500 in employment, 4,500 more than seasonal expectations. Two of these, trade, with 267,800 employees, and services, with 215,200 workers, are at their highest employment level ever - a cause for real celebration! Government employment gained 800, but this was 1,200 less than normal for November.

Only construction, hard hit by the surprise arctic November weather, posted raw employment losses. These equalled 3,300, or 1,000 more than seasonally expected. Even so, this sector is 200 higher than in November 1984.

Last month's economic analysis began a much-needed discussion on the varying fortunes of different areas of the state. The central idea that statistics showing economic recovery do not apply equally everywhere in Oregon was illustrated by a table which compared local area employment levels in two years, 1982 and 1985. These were indexed to a pre-recession year, 1979. The extent of each area's recovery was then compared.

The Employment Division, in addition to gathering, recording and interpreting historical and month-to-month labor market trends, makes employment projections a full five years into the future, both statewide and locally.

Employment Trends and Projections
in Manufacturing and Nonmanufacturing
Oregon: Nonfarm Wage and Salary Employment

	1982	1985	1991
Oregon			
Total W&S	91.0	97.2	109.4
Mfg	81.3	86.7	96.5
Non-Mfg	93.6	100.1	113.0
Willamette Valley			
Total W&S	92.4	98.2	112.8
Mfg.	84.2	86.7	103.2
Non-Mfg	94.5	101.2	115.3
North Coast			
Total W&S	91.1	94.7	104.2
Mfg	71.5	77.8	71.4
Non-Mfg	98.2	100.9	116.2
Southern Oregon			
Total W&S	86.7	95.0	104.0
Mfg	73.4	88.0	87.8
Non-Mfg	91.3	97.4	109.6
Southeastern Oregon			
Total W&S	86.7	88.3	98.4
Mfg	76.3	82.7	88.8
Non-Mfg	90.1	90.1	101.8
Central Oregon			
Total W&S	88.4	100.6	110.9
Mfg	72.5	90.9	101.9
Non-Mfg	92.6	103.2	113.4
Northeastern Oregon			
Total W&S	87.8	89.6	103.9
Mfg	80.5	87.8	93.7
Non-Mfg	89.9	90.1	106.7

Though the data are not perfectly comparable, they are close enough to make the point that the areas of the state which were hurt most in the last recession are the same areas which are projected to have the least growth in the next five years, if current economic trends continue. These areas cannot share in the current growth in trade and service jobs because their manufacturing employment base, upon which other sectors can build, has been diminished. We cannot expect a jolly old elf to bring us any quick solutions to this quandary. It will probably take many years of very slow growth and diversification before these areas are again what they were in the 1970's.

To sum up, a little Christmas cheer is indeed in order because the state's total civilian labor force is 10,000 larger than a year ago, and because this has been Oregon's best year since 1980 when the jobless rate was 6.8%. But we should not forget the implications of the shift in employment to trade and services, the continuing hard times facing many of our basic manufacturing industries and the many communities in the state which still depend upon them.□

YEAR IN REVIEW

Jeff Hannum

"Although the remaining job deficit will not be erased in 1985, Oregon's economy will continue to expand in the year ahead. As in 1984, however, the rate of improvement is expected to be slow, and not all industries or regions of the state will share equally in the gains".

That statement, from the January issue of Oregon Labor Trends ("Economic Outlook - 1985") nearly one year ago pretty well sums up the past year for Oregon's economy.

As expected, Oregon's economic progress proceeded at a snail's pace in 1985, lagging further behind the national trend. Problems in many of the state's basic industries, including agriculture, continued to restrain overall growth, keeping unemployment levels relatively high. Although the unemployment rate for Oregon has dropped sharply in recent months to about 7.5%, the lowest rate in 5-1/2 years, the jobless rate remained above 10% for several months earlier in the year. As a result, unemployment averaged about 9.0% for the year, down only slightly from 9.4% in 1984.

Rural areas within the state, particularly those most dependent on natural resource-based industries such as lumber and wood products and agriculture, did not fare as well as the metropolitan areas with their more diversified economies. Some rural areas even experienced higher unemployment levels in 1985 and/or declines in personal incomes as their basic industries continued to "restructure" or close in the face of weak commodity markets, strong import competition, high costs, and other problems.

While recognizing that statewide employment figures tend to hide often stark contrasts between the relatively prosperous metropolitan areas and the distressed remainder of the state, they do provide a useful yardstick for assessing Oregon's economic progress over the past year. Based on 11 months of data, total nonfarm wage and salary employment in 1985 is expected to average nearly 22,000 (+2.2%) higher than in 1984. Manufacturing, however, did not share in this growth. Jobs in the goods-producing sector fell by about 500 (-0.3%) on an annual average basis in 1985. The November to November manufacturing job loss was even worse (-1,800), indicating that serious problems still persist in a number of basic industries.

Many manufacturing industries are in the process of "restructuring" in the face of weak markets, low prices, high costs, lagging exports and/or stiff competition from imports. Oregon's number one basic industry, lumber and wood products, is a prime example. Employment in this vital industry is expected to average about 64,000 in 1985, a loss of some 2,000 jobs, or 3%, from 1984. The job loss in wood products would have been even larger had it not been for "restructuring" efforts within the industry. This term is applied whenever a high cost/no (or low) profit mill is shut down, sold and reopened by new owners with lower operating costs. In virtually all cases, this process includes some loss of jobs, a substantial reduction (20-30%) in average wage rates for the remaining employees, and often a switch from union to non-union status.

Restructuring was not confined to the wood products industry. There were significant wage adjustments, layoffs and/or plant closures in other basic industries in Oregon over the past year (e.g. aluminum, nickel, computer components, transportation equipment, apparel, etc.) but their impacts, at least statewide, were not as great. In the affected local communities, however, the closure of an aluminum plant (i.e. The Dalles) or other major employer can be devastating, especially if the facility cannot be sold and reopened, thus saving at least some primary jobs.

Many areas in Oregon are heavily dependent on agricultural activity. Depending on who you ask, agriculture is either the first or second most important industry in Oregon. Unfortunately, 1985 was another difficult year for many Oregon farmers and ranchers. Although annual average employment in agriculture held steady at 1984's level (32,000), preliminary data from the OSU Extension Service indicate that gross farm incomes, in general, did not improve. Although it is still too early to determine how farmers fared in terms of their net incomes, the gross value of all 1985 farm sales in Oregon dropped slightly to $1.81 billion.

The lack of significant change in farm incomes statewide, however, masked regional disparities. In Western Oregon, the value of farm sales rose about 8%, while in Eastern Oregon, a decline of 10% occurred. The main pluses on the west side were good sales of grass seed, berries and nursery stock. On the east side, notable sales declines

came in cattle and calves, potatoes, onions and wheat. Considering the number and magnitude of the problems currently facing the farm sector (e.g. commodity surpluses, low crop and livestock prices, high debt levels, weak export sales, declining farm and ranch land values, etc.) a quick turnaround in farm prospects is not in the cards.

While 1985 was a tough year for a number of industries in Oregon, there were some that expanded anyway. Food and kindred products gained about 1,200 jobs on an annual average basis in 1985, all of it in canning and preserving. Exceptionally good weather during the growing and harvest seasons is probably the major reason for this industry's strong showing. Although unusually dry weather hurt yields in Eastern Oregon for some crops such as wheat, vegetable crops in Western Oregon were of good quality. Ideal weather this fall also extended the harvest and processing season. Another factor was the improvement in seafood processing this year, as the adverse effects of El Nino on fish landings off the Oregon coast began to dissipate.

Although the numbers of new jobs were not as high as in food processing, employment gains in the 400-600 range were tallied in several other manufacturing industries. These included millwork and structural wood, iron and steel foundries (credit strength in aerospace/defense contracting), fabricated structural metals (pick-up in construction of oil drilling modules) and miscellaneous manufacturing.

In previous years, Oregon's high technology industries, including electronic computing machinery, electrical equipment and supplies, and instruments and related products would have been near the top of the list of expanding industries. Not so in 1985. Annual average employment this year was about the same as in 1984. Weak markets for personal computers and excess inventories of electronic components have caused many high technology firms to curtail production this year through reduced work schedules, extended vacations, attrition and even layoffs. The current slump in the technology industries is even more evident if we look at the change in employment from November to November--machinery (-700), electrical equipment and supplies (-1,500), and instruments and related products (-400).

A major part of the problem facing Oregon's high technology firms, and those in other sectors such as agriculture, is the soaring deficit in our nation's international trade. An over-valued U.S. dollar, propped up by high interest rates and federal budget deficits of $200 billion a year, have made virtually all U.S. exported goods and services very expensive overseas. Imports to the U.S., on the other hand, have become less expensive and much more competitive. The net effects are often reduced market share, lower profits, and less employment in many domestic industries. In some cases, whole manufacturing operations are being relocated overseas to take advantage of lower operating costs.

Part of the solution at the firm level has been to "restructure" operations to reduce costs as much as possible. But these efforts, while they may buy time, will not bring lasting improvement unless the foreign exchange value of the U.S. dollar drops to more realistic levels. Fortunately, the dollar's value declined in 1985, reflecting the downward trend in interest rates. In late September, several major nations joined the U.S. and adopted a policy of active intervention in currency markets so that the dollar's value would drop further. These efforts will eventually benefit many Oregon industries, but the results may not be apparent until well into 1986. Until then, manufacturing employment will probably continue to lose ground, and nonmanufacturing employment will show anemic growth.

Nonmanufacturing, as stated earlier, accounted for virtually all of Oregon's 22,000 new payroll jobs this year. Not surprisingly, over two-thirds of these jobs were created in the trade and service industries. Modest increases were also generated in the construction, finance, insurance and real estate and government sectors. Some of the factors behind these gains include the following:

- -continued population growth in Oregon (+15,800) between 1984 and 1985, reflecting natural increase (excess of births over deaths) with virtually no net in-migration.
- -strength in heavy construction activity due to increased state and federal funding for highway and bridge projects.
- -a good summer tourist season. Between late May and the end of September, the number of visitors to Oregon's seven Welcome Centers increased by 3% over the same period in 1984.
- -a willingness on the part of many consumers to accumulate more debt, due in part perhaps to significant declines in interest rates since last spring, and recent sharp declines in Oregon's unemployment rate.
- -the Oregon legislative session during the first half of 1985; beginning of the new Oregon Lottery last spring; and federally mandated staff increases at one state institution.

In summary, 1985 was a year of contrasts for Oregon's economy. Although some progress was made statewide in terms of nonfarm payroll employment and unemployment indicators, this improvement was limited and primarily confined to the state's major metropolitan areas. Even in these areas, the economic recovery seemed to stall during the first half of the year, only to pick up momentum in the past few months. Job gains were largely confined to the nonmanufacturing side of the economy, while most manufacturing industries, especially lumber and wood products, plus agriculture struggled through a very difficult year. For those rural communities whose economies are largely based on natural resource industries, the economic gap between urban and rural Oregon grew larger in 1985. Whether this pattern of slow, regionally unbalanced economic growth will continue in Oregon during 1986 will be discussed further in next month's issue of Oregon Labor Trends. □

HOURS & EARNINGS

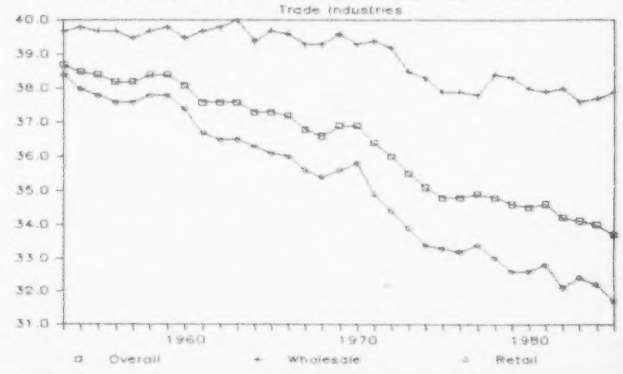
Jason Yohannan

In October, both wholesale and retail trade registered over-the-month declines in average hourly earnings and average weekly hours. The average weekly hours declines were widespread among the various trade industries and represented a continuation of a long-term trend toward shorter workweeks in these industries, as evidenced by the accompanying graph.

In 1953 (the first year hours and earnings statistics became available for trade), the wholesale and retail trade workweek averaged 38.7 hours, with wholesale trade at 39.7 and retail trade at 38.4. This contrasts markedly with October's readings of 33.6, 37.6, and 31.7, respectively. In fact, average weekly hours of wholesale and retail trade workers in 1985 have been below corresponding 1984 levels during seven out of the ten months measured so far this year.

Two major reasons account for the trend toward shorter overall trade workweeks. First, there has been an increasing trend toward part-time work in the retail sector as more and more people enter the part-time labor market either because of the unavailability of full-time work, the need to supplement family income, or simply because of personal choice. Second, the rapid growth of retail trade employment through the years has given the retail sector, which usually includes more of the part-time work described above, a greater proportion of overall trade employment than the wholesale sector. As this occurs, average weekly hours in trade move downward.□

OREGON AVERAGE WEEKLY HOURS



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct. 2/ 1985	Sep. 3/ 1985	Oct. 1984	Oct. 2/ 1985	Sep. 3/ 1985	Oct. 1984	Oct. 2/ 1985	Sep. 3/ 1985	Oct. 1984
TOTAL MANUFACTURING 4/	$405.97	$407.68	$397.70	39.3	39.2	38.8	$10.33	$10.40	$10.25
Durable Goods	428.40	428.25	419.10	40.0	39.8	39.5	10.71	10.76	10.61
Lumber & Wood Products	449.15	456.44	441.28	40.5	40.5	39.4	11.09	11.27	11.20
Logging & Sawmills	485.85	488.44	468.83	41.0	40.3	39.2	11.85	12.12	11.96
Veneer & Plywood	433.49	446.76	450.77	40.4	41.1	40.5	10.73	10.87	11.13
Millwork & Struct Wood	349.20	372.19	346.92	38.8	40.9	39.2	9.00	9.10	8.85
Mobile Homes	291.77	303.80	267.52	36.2	35.0	32.0	8.06	8.68	8.36
Other Wood Products	450.46	463.00	430.42	41.1	41.9	39.2	10.96	11.05	10.98
Furniture & Fixtures	336.51	314.59	310.02	40.3	38.6	37.9	8.35	8.15	8.18
Primary Metals	491.26	480.40	478.58	40.6	40.0	41.4	12.10	12.01	11.56
Fabricated Metals	391.82	387.20	390.66	39.9	40.0	39.5	9.82	9.68	9.89
Machinery	417.69	427.39	406.36	39.0	39.5	39.8	10.71	10.82	10.21
Nondurable Goods	354.19	357.40	346.70	37.8	37.7	37.2	9.37	9.48	9.32
Food & Kindred Products	289.90	286.01	282.00	37.6	37.0	36.2	7.71	7.73	7.79
Canning & Preserving	253.93	240.37	236.86	37.9	36.2	35.3	6.70	6.64	6.71
Other Food Products	383.57	405.34	395.40	36.6	38.9	38.5	10.48	10.42	10.27
Textile Mill Products	235.22	221.48	214.68	38.0	35.1	35.9	6.19	6.31	5.98
Apparel	214.70	212.44	205.53	37.6	37.8	37.1	5.71	5.62	5.54
Paper & Allied Products	593.27	615.08	582.83	41.0	41.7	41.9	14.47	14.75	13.91
Printing & Publishing	389.55	389.06	396.48	35.0	34.8	35.4	11.13	11.18	11.20
Construction 4/	497.76	482.59	484.61	36.6	35.2	33.7	13.60	13.71	14.38
Communications & Utilities 5/	497.32	508.79	498.80	40.4	41.5	40.0	12.31	12.26	12.47
Trade 5/	275.52	291.53	283.41	33.6	34.5	33.5	8.20	8.45	8.46
Wholesale Trade	375.62	399.85	384.05	37.6	38.3	37.8	9.99	10.44	10.16
Retail Trade	227.29	239.69	235.62	31.7	32.7	31.5	7.17	7.33	7.48
Banking & Insurance	284.25	291.84	273.35						
State & Local Government	341.03	356.40	325.75						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

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